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DE RUEHDG #3329/01 2981542  
ZNY CCCCC ZZH  
P 251542Z OCT 06  
FM AMEMBASSY SANTO DOMINGO  
TO RUEHC/SECSTATE WASHDC PRIORITY 6484  
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY  
RUEHWN/AMEMBASSY BRIDGETOWN PRIORITY 1987  
RUEHCV/AMEMBASSY CARACAS PRIORITY 0689  
RUEHGE/AMEMBASSY GEORGETOWN PRIORITY 0913  
RUEHKG/AMEMBASSY KINGSTON PRIORITY 2664  
RUEHPO/AMEMBASSY PARAMARIBO PRIORITY 1047  
RUEHPU/AMEMBASSY PORT AU PRINCE PRIORITY 4379  
RUEHSP/AMEMBASSY PORT OF SPAIN PRIORITY 1735  
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RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
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TREASURY FOR OASIA-JLEVINE; DEPT PASS USDA FOR FAS; USDOC  
FOR 4322/ITA/MAC/WH/CARIBBEAN BASIN DIVISION; USDOC FOR  
3134/ITA/USFCS/RD/WH; DHS FOR CIS-CARLOS ITURREGUI

E.O. 12958: DECL: 10/20/2016  
TAGS: [DR](#) [PGOV](#) [PREL](#) [ECON](#) [EFIN](#)  
SUBJECT: DOMINICAN POLITICS III #8: HIPOLITO MEJIA SUPPORTS  
VARGAS MALDONADO

REF: SANTO DOMINGO 3308

Classified By: Deputy Chief of Mission Roland W. Bullen, Reasons 1.4(b)  
, (d)

11. (U) This is the eighth cable in our series on Dominican  
politics in the third year of the administration of President  
Leonel Fernandez.

(C) During a tour d'horizon of the local political scene,  
former president Hipolito Mejia (2000-2004) told the  
Ambassador that his Dominican Revolutionary Party (PRD)  
needed the managerial skills and vision of Miguel Vargas  
Maldonado, the front-runner for the 2008 PRD presidential  
nomination. Mejia sees Vargas as more of a businessman than  
a politician, someone who can manage a political campaign and  
a government as if they were corporations. Mejia predicted  
that 80 percent of PRD members will support Vargas at the  
January 7 convention. He dismissed as irrelevant as series  
of muck-raking articles about Vargas's business affairs in  
the on-line journal Clave Digital -- "that's your friend at  
work" (apparently referring to businessman-owner Abraham  
Hazoury).

(C) The PRD is undergoing a process of renewal, he said, and  
Vargas is part of a new generation. Soon senior PRD figures  
who are rival to Vargas Maldonado "will be in the trashcan."  
He sniffed at the candidacy of his former vice president,  
Milagros Ortiz Bosch. PRD Secretary General Orlando Jorge  
Mera "is a good boy, serious -- but he lacks force."

(C) Mejia asserts that the ruling Dominican Liberation Party  
(PLD) is vulnerable to a "crisis" in February or March of  
12007. "At this point in my term, I had support of sixty  
percent." (In the 2004 election he got only 32 percent.)  
The former President predicted that the unsolved problems in  
the electricity system, fiscal problems, resumption of debt

servicing, excessive increases in government employment and insufficient social spending would be factors.

(C) Mejia considers that President Fernandez may face a split within the PLD as chief of staff Danilo Medina moves to consolidate his own presidential ambitions for 2008. Mejia says that Medina has in his pocket two-thirds of the PLD's senators and congressional representatives. He called Medina "dangerous. . . a Mao-style Marxist."

(C) In the Baninter fraud case, Mejia said, "The defendants will probably be found guilty but they're negotiating with the prosecutors for a ten-year sentence. . . I think they should go to jail for 20 years."

(C) The Reformed Social Christian Party (PRSC) of Balaguer is "hopeless." He sees Amable Aristy Castro as "a photocopy of Balaguer -- a schemer, dividing factions with money and maneuvers." Former presidential candidate Eduardo Estrella is an honest man, but with nothing more to recommend him. "None of them are real democrats."

#### COMMENT

(C) Mejia is a keen observer and still highly influential within the PRD. Although with bluster and exaggeration, he was confirming some important facts: the major opposition party is securely in the hands of wealthy entrepreneur Vargas Maldonado, who has the skills and strengths to mount a powerful campaign against the incumbent Fernandez. A 70 percent approval rating for Fernandez looks good but could well evaporate. And there will be lots of presidential politicking for this Embassy to report on over the next 18

months.

12. (U) Drafted by Peter Hensch.

13. (U) This report and extensive other material can be consulted on our SIPRNET site,  
<http://www.state.sgov.gov/p/wha/santodomingo/>  
BULLEN